

Message Text

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PAGE 01 STATE 184859
ORIGIN XMB-04

INFO OCT-01 ARA-14 ISO-00 EB-08 /027 R

XMB

DRAFTED BY XMB: R R SIMONINI
APPROVED BY ARA/AND/C:SMHOLLY
XMB: R D CRAFTON
EB/IFD/ODF:AFWATSON
-----026145 220529Z /20
R 211913Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY BOGOTA

UNCLAS STATE 184859

E.O. 11652: N/A

TAGS: EFIN, CO

SUBJECT: COLOMBIA -- CORPORACION ELECTRICA DE LA COSTA
ATLANTICA -- CERREJON PROJECT -- EXIMBANK PRELIMINARY
COMMITMENT NO. 78-0-4216

1. EXIMBANK HAS GRANTED A PRELIMINARY COMMITMENT
(P.C.) TO LANCASTER STEEL CO. TO SUPPORT THEIR BID
TO SELL BOILER EQUIPMENT TO CORELCA FOR THE CERREJON
PROJECT -- A COPY OF THE P.C. LETTER HAS BEEN FORWARDED
TO THE EM0ASSY. EXIMBANK'S SUPPORT CONSISTS OF
AN 85 PERCENT DIRECT CREDIT AT AN INTEREST RATE
OF 8-3/8 PERCENT PER ANNUM TO BE REPAID IN 20 SEMIANNUAL
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INSTALLMENTS BEGINNING 6 MONTHS AFTER PROJECT COMPLETION.

2. U.S. EXPORTER ALLEGES THAT EXIMBANK FINANCING
IS NOT COMPETITIVE SINCE ITALIAN BIDDERS OFFERED
FINANCING AT A LEVEL OF 7-1/2 PERCENT PER ANNUM AND
JAPANESE SUPPLIERS OFFERED FINANCING AT A RATE OF
7-3/4 PERCENT PER ANNUM.

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3. REQUEST THAT EMBASSY SEEK DATA ON ALL BIDS TO INCLUDE THE COMPETITIVE PRICING FOR THE BOILERS AND TURBINES, THE TERMS OF FINANCING TO INCLUDE EXTENT OF CREDIT, INTEREST RATE, FEES AND REPAYMENT SCHEDULE, AND THE CURRENCY OF REPAYMENT TO INCLUDE ANY AGREEMENTS TO FREEZE EXCHANGE RATES OF THE FOREIGN CURRENCIES IN RELATION TO THE DOLLAR. ALSO REQUEST THAT EMBASSY SPEAK WITH CORELCA OFFICIALS TO DETERMINE THE COMPETITIVE STANDING OF LANCASTER STEEL AND THE COMPETITIVENESS OF EXIMBANK'S FINANCING. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT GUARANTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 21 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE184859
Document Source: CORE
Document Unique ID: 00
Drafter: R R SIMONINI
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780301-0680
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780732/aaaabbgh.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c7dc146f-c288-dd11-92da-001cc4696bcc
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1923985
Secure: OPEN
Status: NATIVE
Subject: COLOMBIA -- CORPORACION ELECTRICA DE LA COSTA ATLANTICA -- CERREJON PROJECT -- EXIMBANK PRELIMINARY
COMMITMENT NO. 78-0-4216
TAGS: EFIN, CO, XMB
To: BOGOTA
Type: TE
vdkgvwkey: odbcc://SAS/SAS.dbo.SAS_Docs/c7dc146f-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014